



Australian Electric Vehicle Association (AEVA) Ltd
Victorian Branch
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Formed in 1973, AEVA is a non-partisan, volunteer run, not-for-profit organisation accelerating the transition to electric drive

13th February 2024

TO:

Mr Tim Pallas
Victorian Treasurer
Level 4/1 Treasury Place
East Melbourne 3002
tim.pallas@parliament.vic.gov.au

COPY:

The Hon. Jacinta Allan, Premier
jacinta.allan@parliament.vic.gov.au
The Hon. Danny Pearson, Minister for Transport and Infrastructure
danny.pearson@parliament.vic.gov.au
The Hon. Lily D'Ambrosio, Minister for Climate Action
lily.dambrosio@parliament.vic.gov.au

RE: Request for Explanation of Public Comment re paying "*fair share*"

Dear Mr Pallas,

At the end of a segment on health care funding hosted by Heidi Murphy on the 6pm Channel 9 News Thursday 8th February 2024, the presenter said "*The cash-strapped Treasurer also says he is not giving up on charging electric vehicle owners to help pay for road upkeep.*"

The Treasurer is then shown saying "*believe me, I will find a way to make sure that everybody pays their fair share.*"

On behalf of Victorian electric vehicle (EV) owners and buyers, can the Treasurer please answer the following questions:

1. Are these quotes a true representation of the Victorian Government's position on this issue?
2. If not, what is the true position?
3. What proposed EV policies and strategies can be shared with EV drivers and buyers?
4. Will the Treasurer acknowledge that EV buyers, due to the premium purchase price of the vehicle, pay extra GST and stamp duty which for most people equates to at least 5 years of paying the federal fuel excise? (see Appendix 1)

This issue is complex and nuanced in that the uptake of EVs need to be encouraged in the short term because of their long-term benefits to individuals, communities, the nation and the planet.

We thank the Victorian Government for its \$100 rebate on the registration fee for EVs. We are disappointed with the termination of the \$3000 subsidy on the purchase price of EVs valued at less than \$67950.

We would be pleased to talk with policy makers about other ways to encourage the uptake of EVs in Victoria, and the long-term advantages of replacing fossil fuel cars with fully electric vehicles.

Finally, we acknowledge that an Australia wide fair road user charge may be needed when EVs become more affordable and their numbers grow from less than one percent to a significant proportion of cars on the road.

Thank you in advance for your response.

Yours sincerely,

R. Molloy.

Rick Molloy
Victorian Branch Secretary
secretary@vic.aeva.asn.au
ph: 0407 228 189

Appendix 1

Below is an analysis of the comparative purchase tax contribution costs of buying a Hyundai Kona Electric versus the federal fuel excise costs of driving the equivalent petrol model.

	Electric Kona	Petrol Kona
Purchase Price	\$62,000	\$32,000
Extra GST (at purchase)	\$3,000	
Extra Stamp Duty (at purchase)	\$630	
Total Extra Tax (at purchase)	\$3,600	
Federal Fuel Excise/year	\$0	\$520 ⁽¹⁾

⁽¹⁾Assume 15,000 km per year and a petrol consumption of 7 litres per 100 km (6 on the highway, 8 in the city). 1050 litres of fuel are consumed at 49.5 cents per litre costing the owner \$520 fuel excise each year.

Thus, for this scenario, the extra tax paid at the purchase of the electric car is equivalent to 7 years' worth of federal fuel excise for the equivalent petrol car.